NN Contractor (OnSat) Special Review

	opeciai i	CCATEM		
FW Objective	Onsat	Payme	nf	
TW Description	^	·		Crafrols

W. P. No. 11-D-2

ACCOUNTANT Beth

DATE 12/7/06

Purpose:

To document evidence of OnSat being allowed direct contracts with the Navajo Nation approving officials.

Source:

1. Per w/p <u>II-A-2.1 page 1</u>, the Controller approved the receiving record to be processed for payment.

2. Per w/p <u>II-A.3 page 18</u>, the OnSat invoice was stamped "Rush" and noted that vendor will pick up check.

3. Per w/p <u>II-A-5 page 12</u>, Susan Slim (Accounts Payable Supervisor) signed off the on the OnSat invoice stamped demand check meaning the check was manually prepared (not in batch).

4. Per w/p <u>II-A-7.1</u>, the Controller signed off on the request for direct payment stamped "Rush" to process payment to OnSat.

5. Per documentation @left, OnSat owner personally contacted the OOC accounting staff to process his payment.

6. Based on verbal interviews with Navajo Nation employees namely: Janice Haskie, Supervisor, Contract Administration Isabelle Yazzie, Accounting Manager, Procurement Lena Arviso, Accounting Manager, Contract Accounting Susanne Slim, Supervisor, Accounts Payable Mark Grant, Controller Maxine Lynch, Senior Contract Analyst, OMB Leo Morgan, Compliance Officer, Head Start

The Navajo Nation employees listed above told the auditor that OnSat owner came in person to submit his invoices. In addition, the employees were instructed by the Navajo Nation President Chief of Staff Patrick Sandoval to process OnSat invoices for payment.

Conclusion:

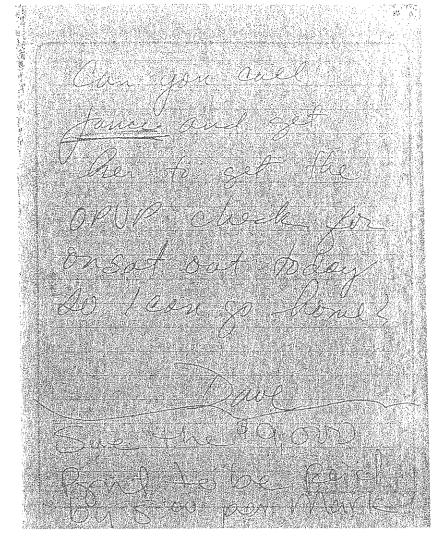
OnSat representative was allowed to come in person and submit their invoices to the Navajo Nation approving officials and collect the checks directly.

Effect:

Allowing OnSat direct contacts with the approving officials shows total disregard to establish fundamental controls in processing vendor payments.

Risk:

OnSat direct contacts pressured the approving officials to simply approve the invoice without effective review to validate OnSat invoices which can lead to improper and questionable payments to OnSat.



110

THE NAVAJO NATION REQUEST FOR DIRECT PAYMENT

FY'2006 October 13, 2006 (Date)

Tc Accounts Payable Section, FINANCIAL SERVICES DEPARTMENT

RUSH

	Please issue a Voucher check(s) as described be	low.					•		
1	\$9,000.00 ONSA		P.O. Box 9	81855	Park City	UT	84098		
	Payee Name				City	State	Zip Cod	le	
2	This request is for payment: Payment: Techn	nical Support Serv	vice Invoice #: 609012	0 1st Q	·	Dec 20	06)		
3	Charge account number(s): 103001-5570 S	608		o∀.	Me of DE	MAN	D CHEC	K	
4	Process this check: Regular	processing	Prepaid Processing by (Tin	ne 3:00	p.m. (Date)	Octob	er 13, 2006		
5	Supporting documents attached: Yes; [No (If no, expla	in why)			·			
6	Remittance advice(s) or other document(s) mark	ed "To be sent with	check" attached Yes;		o				
?	Check should be: Mailed to payee; [(Reason)	Picked up by	payee; Picked up by:	Author	rized Personnel				
8	Other information or comments "CODE 4	" Justificatio	n attached.						
ام	Request by (Signed)	Name (Printed)	Kirby L. Bedonie	Title	Exec. Staff Assistant	Tel.	(928) 871-7	916	
,	Approved by (Signed) XIL Success	Name (Printed)	Dr. Joe Shirley, Jr.	Title_	NN President	Tel.	(928) 871-7	916	
AF AN	DO NOT WRITE BELOW TH	US LINE - FOR US	SE BY THE FINANCIAL S	ERVICI	ES DEPARTMENT (ONLY			
Funds available approved by									
	Approved for payment as requested.		9 UU 10 33	`T 99	2443				
	Approved for payment with following	exceptions			3006	19			
Disapproved for payment because		The state of the s	DELVED	1997 RECEIVED					
	By	G. 30.2	Title	······································	. Dat	ie (937	9		
					0#				